Uttaranchal, Jharkhand etc. facing financial problem on account of lavish spending on their living standard and on hospitality accounts etc.;

(b) whether the some State Governments are unable to handle the above problem;

(c) whether the Union Government have taken note of the financial problem so created on this account; and

(d) if so, the measures Government propose to take for arresting the wasteful expenditure by the Minister in various States including evolving of policy applicable to all the State Governments in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) Article 164(5) of the Constitution confers the power to decide salaries and allowances of Ministers of the States to the respective State Legislatures.

No State Government has approached Government of India regarding financial problem on account of levish spending by Ministers. Moreover, State Governments are responsible for management of their finances keeping in view their own resources and devolutions from Centre Under Article 151(2) of the Constitution of India, Comptroller and Auditor General of India is required to audit the accounts of the State and submit the Audit Reports to the Governor of the respective States who shall cause them to be laid before the States Legislature. The Audit Reports of the States are examined by the Public Accounts Committee and Committee on Public Undertakings of the concerned State Legislature.

Financial irregularities in Schedule, Non-Schedule Airlines and Flying Clubs

*233. DR. ARUN KUMAR SARMA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) the details of the loan and other financial liabilities of the schedule and non-schedule airlines and flying clubs in the country;

(b) whether DGCA has received complaints regarding the financial irregularities committed by some of the schedule airlines, non-schedule airlines and flying clubs; and

(c) if so, the details thereof and the action taken against them?

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV): (a) Details of loans and financial liabilities of Civil Aviation companies as per balance sheet filed by them with Department of Company Affairs are at Statement-I *(See* below).

(b) and (c) Details of complaints received by DGCA and action taken thereon are at Statement-II.

Statement-I

Loans and financial liability of Civil Aviation companies as reported by them in their balance sheet filed with Department of Company Affairs

(In Rupees)

Sl.No.	Name of Company	Secured Loan	Unsecured Loan	Current liability
1.	Alliance Air (As on 31.3.2000)	—	—	294281110
2.	Air India Ltd. (As on 31.3.2000)	20520 (million)	11967.7 (million)	244412 (million)
3.	Bengal Flying Club (As on 31.3.2000)	195079	120511	4226
4.	Coimbatore Aviation Training Academy Pvt. Ltd. (As on 31.3.1999)	—	213346	—
5.	East Air (As on 31.3.2000)	562451	950487	423176
6.	Enbee Aviation (As on 31.3.2000)	—	—	396950
7.	Flytech Aviation Ltd. (As on 31.3.1999)	—	—	3107885
8.	Garg Aviation Ltd. (As on 31.3.2000)	—	2283922	2797824
9.	Gwalior Flying Club (As on 31.3.2000)	—	—	13200
10.	Indian Airlines (As on 31.3.2000)	51051.491 (million)	1627.88 (million)	16760.67 (million)
11.	Man Aviation Pvt. Ltd. (As on 31.3.2000)			1420

Sl.No.	. Name of Company	Secured Loan	Unsecured Loan	Current liability
12.	Mesco Airlines (As on 31.3.1998)	151202434	3556996	317214401
13.	Metro Airlines Pvt. (As on 31.3.1998)	—	—	50240
14.	North East Airlines (As on 31.3.1999)	—	57000	447450
15.	Rajputatta Aviation Academy Pvt. Ltd.(As on 31.3.1999)	3955417	14960535	—
16.	Sahara Airlines Ltd. (As on 31.3.2000)	296468100	3724212279	911171231
17.	Skyline NEPC Ltd. (As on 31.3.2000)	111337960	21918374	—
18.	Sourthern Aerocopter Services Pvt. Ltd. (As on 31.3.1996)			1000
19.	Trans India Airlines Ltd. (As on 31.3.2000)	—	44000	----------
20.	V IF Airways (As on 31.3.1995)	319488710 I	27071824	1620665
21.	Wings Aviation Pvt. Ltd. (As on 31.3.1999)	1208819	1037621	219423
22.	Yash Air Ltd. (As on 31.3.2000)	-	—	576694

Statement-II

Complaints received by DGCA regarding Financial Irregularities committed by some of the non-scheduled Airlines and Flying Clubs

DGCA has received complaints of financial irregularities done by following flying clubs and non-scheduled operators:—

A. *Flying Clubs/Training Institutes*

DGCA does not interfere in the functioning of the Flying Club although there is one nominee of DGCA in the Managing Committee of the clubs. The

Club Managing Committee is not required to take prior permission for such financial transactions.

(i) *M/s. M. P. Flying Club, Indore:* A complaint of financial irregularities done by M.P. Flying Club, Indore in purchase of three aircraft and two engines has been made by Shri Sharad K. Sanghi.

(ii) *M/s. Jamshedpur Co-operative Flying Club, Jamshedpur:* Another complaint of serious irregularities (financial and otherwise) in Jamshedpur Co-operative Flying Club, Jamshedpur has been made by Shri Vivek Singh.

The inquiry carried out in the matter by the Cooperative Department of the Government of Bihar revealed that the allegations made in the complaint were true and accordingly the District Cooperative Officer, Govt, of Bihar suspended the Managing Committee of the Club with effect from 19.4.2000. An enquiry in this matter was conducted by Shri A.K. Ray, Director of Airworthiness, Calcutta on 7.4.2000. The report has been sent to the Special Officer, Jamshedpur Co-operative Flying Club for further necessary action.

(iii) *M/s. Yash Air Ltd., Indore:* Security clearance to Directors of M/s. Yash Air Ltd., Indore for extention of NOC to start flying training institute at Bhopal has been denied by Ministry of Home Affairs due to allegations of financial irregularities and falsifications of documents against their Chairman and Managing Director during their association with Urban Research and Flying Institute, Bombay.

B. *Non-Scheduled Operators:*

M/s. Mesco Airlines: M/s. Sundaram Finance Ltd. has complained that M/s. Mesco Airlines Ltd. has been defaulting repayment of rental and other monies due to them under the lease agreement. Therefore, M/s. Sundaram Finance Ltd. have filed various applications in the Hon'ble High Court of Chennai against M/s. Mesco Airlines. As the matter is *sub-judice,* no further action is at present, required on the part of the Government.

Setting up of Sectoral Display Centres

*234. SHRI K.M. SAIFULLAH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state: